



Irish Life Weekly Investment Bulletin

The week that was – WEEK 08 2019 (ending 22/02/2019)

“Everyone gets the experience. Some get the lesson.” – T. S. Eliot

Irish employment in Q4 2018 up 2.3% y-o-y – The Labour Force Survey for Q4 2018 from the Central Statistics Office shows that employment was up 2.3% in the year and unemployment was down a healthy 10.5% with the seasonally adjusted unemployment rate remaining at 5.7% between Q3 2018 and Q4 2018.

German business confidence hits a four-year low – The Ifo Institute for Economic Research announced that the Business Climate Index declined for the sixth time in a row, down to 98.5 in January, from 99.3 in December, the lowest figure since December 2014. The German economy has stalled over recent quarters.

Global stock market up 1% from 15th February to 22nd February – The MSCI AC World TR Index showed a 1.03% return from 15th February to 22nd February boosted by hopes of further progress in a potential China / U.S. trade deal and ‘patient’ U.S. Fed policy. The Vix (or Volatility index) fell to 13.51 from 14.91 on the week.

Fed minutes highlight a ‘patient’ approach for rate rises – The minutes of the January meeting of the U.S. Federal Reserve's Federal Open Market Committee meeting signaled continued patience on maintaining the current target range for the federal funds rate at 2.25% to 2.5% as it posed “few risks” at the moment.

Trump meets Liu He on trade deal – President Trump outlined his willingness to extend the 1st March deadline for trade negotiations with China as he prepared for a meeting with Chinese Vice Premier Liu He on Friday who had “special envoy” status, meaning he had full power to negotiate for the Chinese president.

Japanese export fall of 8.4% in January – Ministry of Finance preliminary data released showed exports in January reduced by 8.4% year-on-year, the largest monthly year-on-year fall in exports since October 2016 and much larger than the 5.5% reduction expected by the Reuters economists poll. Imports fell 0.6% y-o-y.

The Story of the week: Police detectives in Italy have said that nurses at the A & E ward in Vecchio Pellegrini Hospital in Naples may have released cockroaches into the ward in order to get it closed as they wanted to be transferred to less demanding jobs. A patient filmed the bugs and put the video up on social media. Suspicions were raised when an expert found the cockroaches were not local ones, but from Argentina and Brazil. Emilio Noviello, from the University of Naples Department of Veterinary Medicine, said the bugs are “normally used to feed reptiles”.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 22/02)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	10.8
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	10.1
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	7.3
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	9.2
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	11.7
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	13.4
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	7.0
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	9.1
Eurozone Government Bonds 1–5 yr	3.4	1.0	0.9	-0.2	0.0	0.0
Sovereign 10yr Bond Yields (%)	2014	2015	2016	2017	2018	2019 YTD
U.S.	2.2	2.2	2.4	2.4	2.7	2.6
German	0.5	0.6	0.2	0.4	0.2	0.1
UK	1.9	1.9	1.2	1.2	1.3	1.2
Japan	0.3	0.2	0.0	0.0	0.0	0.0
Ireland	1.3	1.1	0.7	0.7	0.9	0.8
Italy	2.1	1.6	1.8	2.0	2.8	2.8
Greece	9.6	7.9	7.1	4.1	4.4	3.8
Portugal	2.7	2.5	3.8	1.9	1.7	1.5
Spain	1.6	1.7	1.4	1.6	1.4	1.2
Central Bank Rates (%)	2014	2015	2016	2017	2018	2019 YTD
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.50
Foreign Exchange Rates	2014	2015	2016	2017	2018	2019 YTD
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.14
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.87
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.31
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

*Past performance is not a reliable guide to future performance and may fall as well as rise.